



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

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| Subject Authorizing the issuance of Consolidated Public Improvement Bonds of 2017, Series A, Consolidated Public Improvement Refunding Bonds of 2017, Series B, Consolidated Public Improvement Refunding Bonds of 2017, Series C, and Consolidated Public Improvement Refunding Bonds of 2017, Series D (2019 Crossover Refunding) | Executive Order No. 169-17 | Subject Suffix |
| Department Department of Finance | Department No. B359-17 | Effective Date 10/17/17 |

ORDER PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF MONTGOMERY COUNTY, MARYLAND IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$685,955,000, SUBJECT TO ADJUSTMENT AS PROVIDED HEREIN; PRESCRIBING THE FORM AND TENOR OF SUCH BONDS, THE MANNER, TERMS AND CONDITIONS OF SALE AND ISSUANCE THEREOF; PRESCRIBING THE TERMS OF SUCH BONDS AND ALL OTHER DETAILS INCIDENT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS IN CONNECTION WITH THE ISSUANCE THEREOF; PROVIDING FOR THE PAYMENT WHEN DUE, OF THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES IN RATES AND AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING THE TERMS AND OTHER DETAILS INCIDENT TO REFUNDING CERTAIN GENERAL OBLIGATION BONDS AND BOND ANTICIPATION NOTES OF THE COUNTY; AND TO PROVIDE GENERALLY FOR THE SALE, ISSUANCE, AND DELIVERY OF SUCH BONDS.

RECITALS

BE IT ORDERED by the County Executive of Montgomery County, Maryland, that:

Section 1. Montgomery County, Maryland (the "County") is hereby authorized upon its full faith and credit to issue its general obligation bonds in the total aggregate principal amount not to exceed \$685,955,000 consisting of its: Consolidated Public Improvement Bonds of 2017, Series A in the aggregate principal amount not to exceed \$170,000,000 (the "Series 2017A Bonds"), Consolidated Public Improvement Refunding Bonds of 2017, Series B in the aggregate principal amount not to exceed \$78,600,000 (the "Series 2017B Bonds"), Consolidated Public Improvement Refunding Bonds of 2017, Series C in the aggregate principal amount not to exceed \$292,705,000 (the "Series 2017C Bonds"), and Consolidated Public Improvement Refunding Bonds of 2017, Series D (2019 Crossover) in the aggregate principal amount not to exceed \$144,650,000 (the "Series 2017D Bonds") together with the Series 2017A Bonds, the Series 2017B and the Series 2017C Bonds, the "Bonds"). The final aggregate principal amount for each series of Bonds shall be determined in an order of the County Executive of the County (the "County Executive") (or the Chief Administrative Officer of the County (the "Chief Administrative Officer"), acting in the capacity of the County Executive) as provided herein.

Section 2. The proceeds of the Series 2017A Bonds may be used to (i) refinance all or a portion of the County's outstanding Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, Series 2009 and/or Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, Series 2010 (collectively, the "Notes"), which such Notes were used to finance and refinance the acquisition,



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construction and equipping of certain public facilities (the "Public Facilities"), as described in Section 20-14 of the Montgomery County Code, as amended (the "County Code"); (ii) finance the costs of certain Public Facilities described in the County's FY 17-22 Capital Improvements Program; and (iii) pay the costs of issuing the Series 2017A Bonds. The Series 2017A Bonds are consolidated and issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Chapter 43 of the Laws of Montgomery County of 2006, Chapter 12 of the Laws of Montgomery County of 2007, Chapter 36 of the Laws of Montgomery County of 2008, Chapter 22 of the Laws of Montgomery County of 2009, Chapter 54 of the Laws of Montgomery County of 2010, Chapter 24 of the Laws of Montgomery County of 2011, Chapter 19 of the Laws of Montgomery County of 2012, Chapter 26 of the Laws of Montgomery County of 2013, Chapter 31 of the Laws of Montgomery County of 2014 and Chapter 49 of the Laws of Montgomery County of 2015; Resolution No. 16-1104 of the County Council of the County (the "County Council"), adopted on September 15, 2009, as amended (the "Resolution"); the County Code (the "Code"); certain provisions of the County Charter (the "Charter"); and this Order.

The proceeds of the Series 2017B Bonds will be used to (i) refinance all or a portion of the County's outstanding Consolidated Public Improvement Bond Anticipation Notes, 2006 Series A and Consolidated Public Improvement Bond Anticipation Notes, 2006 Series B (the "Variable Rate Notes") and (ii) pay the costs of issuing the Series 2017B Bonds. The Series 2017B Bonds are consolidated and issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Resolution No. 15-1418 of County Council, adopted on April 25, 2006 (the "2006 Resolution"); certain provisions of the County Code and the Charter; and this Order.

Section 3. The proceeds of the Series 2017C Bonds will be used to (i) refund certain of the County's outstanding general obligation bonds (the "Refunded Bonds"), as more particularly described on Exhibit A-1 attached hereto and (ii) pay a portion of the costs of issuing the Series 2017C Bonds. The proceeds of the Series 2017D Bonds will be used to (i) refund the County's outstanding Consolidated Public Improvement Bonds of 2009, Series B (Federally Taxable – Build America Bonds – Direct Pay) (the "Refunded BABs"), as more particularly described on Exhibit A-2 attached hereto and (ii) pay a portion of the costs of issuing the Series 2017D Bonds. The maturities of the Refunded Bonds and Refunded BABs to be redeemed by the Series 2017C Bonds and the Series 2017D Bonds, respectively, shall be finally determined in a subsequent order of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive).

The issuance of the Series 2017C Bonds and the Series 2017D Bonds meets a public purpose of restructuring the debt of such Refunded Bonds and Refunded BABs in order to realize savings to the County in the aggregate cost of debt service. Such refunding shall be effected by purchasing United States



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Government obligations and/or obligations guaranteed by the United States of America ("Government Obligations"), in such amounts and maturing at stated fixed prices as to principal and interest at such times as will be sufficient to (i) with respect to the Refunded Bonds, (A) pay all the principal of and interest on the Refunded Bonds becoming due and payable before the earliest practicable dates of redemption as hereinafter provided and (B) to redeem at the earliest practicable dates and pay the respective redemption prices and accrued interest to the respective redemption dates of the Refunded Bonds; and (ii) with respect to the Refunded BABs, (A) pay the interest due on the Series 2017D Bonds on May 1, 2018 and every interest payment date through and including November 1, 2019 (the "Crossover Date") and (B) the pay the redemption price of the Refunded BABs on the Crossover Date, all as provided in the Escrow Agreements (as hereinafter defined). The Series 2017C Bonds and Series 2017D Bonds are issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement) (the "Refunding Act"); Resolution No. 16-1152 adopted by the County Council on October 20, 2009, as amended by Resolution No. 17-1265, adopted by the County Council on November 25, 2014 (collectively, the "Refunding Resolutions"); provisions of the Charter; the Code, and this Order. Section 10-203 of the Local Government Article of the Annotated Code of Maryland, Section 19-101 of the Local Government Article of the Annotated Code of Maryland, the Refunding Act, the Resolution, the 2006 Resolution, and the Refunding Resolutions are collectively referred to herein as the "Enabling Acts".

Section 4. The Bonds shall be dated the date of their initial delivery and shall be issuable in registered form in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof. The Bonds will initially be issued in book-entry only form without physical distribution of certificates to the public. The Depository Trust Company, New York, New York ("DTC") will act as the securities depository for the Bonds and the Bonds will be registered in the name of Cede & Co. as nominee for DTC. The Bonds of each issue, when first issued, may be numbered from No. R-1 upward in the order of their maturities or in some other manner which conforms to standard bond registration practices and is acceptable to DTC and the Director of Finance of the County (the "Director of Finance"). Registration books (the "Bond Register") for the Bonds shall be maintained by the County, which shall also act as paying agent for the Bonds (the "Bond Registrar and Paying Agent"). The Director of Finance may designate a bank or other financial institution to serve as Bond Registrar and Paying Agent at the time of the bond sale or, if later, upon 30 days' prior written notice to the registered owners of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, the County, as Paying Agent designated by the County, will send all payments of principal of and premium, if any, and interest on, and notices to Cede & Co., and consider Cede & Co. as registered owner for all other purposes. Principal payments shall be made to Cede & Co. by check, draft or wire transfer at its address as it appears on the Bond Register, on the respective payment or redemption dates. Interest shall be paid to Cede & Co. by check, draft or wire transfer at its address as it appears on the Bond Register, such interest being payable



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(i) with respect to the Series 2017A Bonds, the Series 2017C Bonds, and the Series 2017D Bonds, semi-annually on May 1 and November 1 in each year (commencing May 1, 2018) and (ii) with respect to the Series 2017B Bonds, semi-annually on June 1 and December 1 in each year (commencing June 1, 2018), in each case accounting from the most recent date to which interest has been paid or, if no interest has been paid, from the date of initial delivery of such Bonds. The provisions provided in this section may be modified by a subsequent order or orders of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive).

The Bonds shall contain similar provisions to and be in substantially the form set forth in Exhibit B attached hereto, with such variations as the Director of Finance may deem are necessary or appropriate in compliance with this Order. So long as the Bonds are in book-entry form, the manual or facsimile signature of the Director of Finance shall be sufficient to authenticate the Bonds. Bonds issued substantially in accordance with such form, with appropriate insertions as indicated, when properly executed and authenticated as required by this Section, shall be deemed to constitute unconditional general obligations of the County, the payment of which, in accordance to the terms thereof, the County's full faith and credit are pledged, and all the covenants and conditions contained in such Bonds shall be deemed to be binding on the County.

Section 5. The Bonds shall be executed in the name of the County and on its behalf by the County Executive, whose signature may be by facsimile, an original or facsimile of the official seal of the County shall be imprinted or otherwise reproduced thereon, attested by the manual or facsimile signature of the Director of Finance, and authenticated by the manual or facsimile signature of the Bond Registrar and Paying Agent.

Section 6. The Series 2017A Bonds, the Series 2017C Bonds, and the Series 2017D Bonds shall mature on November 1, in serial installments commencing on November 1, 2018 and shall bear interest at the rates set forth in the bids selected by the Director of Finance and approved pursuant to a subsequent order. The final maturity of the Bonds shall not be later than November 1, 2031. The provisions provided in this section may be modified by a subsequent order or orders of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive).

The Series 2017B Bonds shall mature on June 1, in serial installments commencing on June 1, 2018 and shall bear interest at the rates set forth in the bids selected by the Director of Finance and approved pursuant to a subsequent order. The final maturity of the Bonds shall not be later than June 1, 2026. The provisions provided in this section may be modified by a subsequent order or orders of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive).

Section 7. The Bonds are and shall be issued upon the full faith and credit and unlimited taxing power of the County which is hereby pledged to the punctual payment of the principal and redemption price, if any, thereof and interest thereon, and the Bonds shall be payable from unlimited ad valorem taxes levied upon all legally assessable property within the corporate limits of the County. The County does



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hereby and shall in the Bonds covenant and agree to pay punctually the principal of each of the Bonds and the interest thereon, on the dates and in the manner mentioned therein, according to the true intent and meaning thereof. In and for each and every fiscal year that any of the Bonds are outstanding, there shall be and there is hereby levied an ad valorem tax or taxes upon all the legally assessable property within the corporate limits of the County in rate and amount sufficient, together with other revenues pledged and available therefor, to provide for the payment, when due, of the principal of and interest on all such Bonds becoming due in such fiscal year, and in the event the proceeds from such tax or taxes levied in any fiscal year shall prove inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up any such deficiency.

Section 8. Bonds which mature on or before November 1, 2027, are not subject to redemption prior to their respective maturities. Bonds which mature on or after November 1, 2028, are subject to redemption beginning November 1, 2027 as a whole or in part at any time thereafter, in any order of their maturities, at the option of the County, at a redemption price for each bond equal to the principal amount of the Bond to be redeemed, together with interest accrued to the date fixed for redemption, without premium. The redemption provisions provided in this section may be modified by subsequent order or orders of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive).

Section 9. (a) The Bonds shall be issued, delivered and sold at public sale upon electronic proposals via the BiDCOMP/Parity Competitive Bidding System ("PARITY") or via such other electronic bidding system as may be determined by subsequent order or orders of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive), in such manner and for such price or prices, not less than the principal amount thereof and accrued interest thereon, as may be determined by the Director of Finance. The Bonds shall be sold in accordance with one or more Official Notices of Sale (as defined below).

(b) The Official Notices of Sale (the "Notices of Sale") pertaining to the Bonds shall be substantially in the form set forth in Appendix D to the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), a copy of which is attached hereto as Exhibit C, subject to such additions, deletions and amendments as shall be approved by the Director of Finance, publication of such Preliminary Official Statement to constitute conclusive evidence of approval by the Director of Finance and the terms, provisions and conditions set forth in such form of Notices of Sale are hereby adopted and approved as the terms, provisions and conditions under which and in the manner in which the Bonds shall be sold, issued and delivered.

The Director of Finance is hereby authorized to cause to be prepared an Official Statement, and any necessary supplements or addenda thereto. The Preliminary Official Statement and the Official Statement shall contain such financial and other data as are customarily found in such publications and as may be deemed appropriate by the Director of Finance. The Director of Finance is further authorized to take such



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actions on behalf of the County as they deem appropriate or necessary to comply with Rule 15c2-12 (hereinafter defined) in connection with the offering and sale of the Bonds.

(c) The Director of Finance is hereby authorized and directed to publish one or more summary of the Notices of Sale for the Bonds at least twice in one or more daily or weekly newspapers having a general circulation in Montgomery County, Maryland, the first such publication to be at least ten (10) days prior to the date of sale. The summary of the Notices of Sale shall be published in substantially the form as approved by the Director of Finance, the publication of such notice to constitute conclusive evidence of the approval of the Director of Finance.

Section 10. Immediately after the sale of the Bonds, the aggregate principal amount of the Bonds to be issued, the interest rate or rates payable on the Bonds, the maturity schedule for the Bonds, the dated date of the Bonds, interest payment dates for the Bonds, and the redemption provisions relating to the Bonds, shall be fixed by an executive order of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive and in accordance with the terms of this Order), subject to the provisions hereof and in accordance with the terms and conditions of the sale of the Bonds.

Section 11. The proceeds from the sale of the Series 2017A Bonds and the Series 2017B Bonds, including any premium and accrued interest therefor, shall be paid directly to the Director of Finance who shall deposit the same in the proper accounts of the County to finance the acquisition, construction and equipping of certain Public Facilities of the County, to repay the Notes and the Variable Rate Notes (as the case may be), to pay the cost of issuing the Series 2017A Bonds and the Series 2017B Bonds, and to fund interest payments on the Series 2017A Bonds and the Series 2017B Bonds.

The proceeds from the sale of the Series 2017C Bonds shall be (i) paid to the Director of Finance to pay the costs of issuing the Series 2017C Bonds; (ii) deposited by the Director of Finance with U.S. Bank National Association (the "Escrow Agent") in a trust fund (the "Escrow Deposit Account"), to be established under an escrow deposit agreement by and between the County and the Escrow Agent with respect to the Refunded Bonds (the "Escrow Deposit Agreement") and applied to the payments of the principal of and interest on the Refunded Bonds when they come due and the redemption price of and accrued interest on the Refunded Bonds on the redemption date, which execution shall be conclusive evidence of the approval by the County of the due execution of such instrument on behalf of the County. The Escrow Deposit Agreement shall be substantially in the form set forth on Exhibit D hereto, with such modifications, amendments and changes as the Director of Finance shall deem necessary and appropriate. The amount paid to the Escrow Deposit Agent pursuant to this paragraph shall be paid to the Escrow Deposit Agent in federal funds or other immediately available funds and shall be used and applied solely in accordance with the terms of the Escrow Deposit Agreement.

The proceeds from the sale of the Series 2017 D Bonds shall be (i) paid to the Director of Finance to pay the costs of issuing the Series 2017D Bonds; (ii) deposited by the Director of Finance with U.S. Bank National Association (the "Crossover Escrow Agent") in a trust fund (the "Crossover Escrow Deposit



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Account” and together with the Escrow Deposit Account, the “Escrow Accounts”), to be established under an escrow deposit agreement by and between the County and the Crossover Escrow Agent with respect to the Refunded BABs (the “Crossover Escrow Deposit Agreement”) and applied to the payments of the interest due on the Series 2017D Bonds on May 1, 2018 and each interest payment date through and including the Crossover Date and the redemption price of the Refunded BABs on the Crossover Date, which execution shall be conclusive evidence of the approval by the County of the due execution of such instrument on behalf of the County. The Crossover Escrow Deposit Agreement shall be in a form substantially similar to the Escrow Deposit Agreement set forth on Exhibit D hereto, with such modifications, amendments and changes as the Director of Finance shall deem necessary and appropriate to provide for the crossover refunding of the Refunded BABs. The amount paid to the Crossover Escrow Deposit Agent pursuant to this paragraph shall be paid to the Crossover Escrow Deposit Agent in federal funds or other immediately available funds and shall be used and applied solely in accordance with the terms of the Crossover Escrow Deposit Agreement.

Section 12. Prior to the delivery of the Series 2017C Bonds and the Series 2017D Bonds, the County shall have received a report from a firm of independent certified public accountants, nationally recognized in the field of refunding of tax exempt obligations, verifying that the proceeds of the Series 2017C Bonds and the Series 2017D Bonds on deposit in each of the Escrow Accounts, and such amounts to be provided to the Trustee, together with any other amounts provided by the County for deposit in the Escrow Accounts, will (i) with respect to the Escrow Deposit Account, be sufficient to pay all principal payments and interest accruing on the Refunded Bonds prior to their respective dates of redemption and all accrued interest and redemption price of the Refunded Bonds on the date of redemption and (ii) with respect to the Crossover Escrow Deposit Account, be sufficient to pay all principal payments and interest accruing on the Series 2017D Bonds from May 1, 2018 through and including the Crossover Date and the redemption price of and accrued interest on the Refunded BABs on the Crossover Date.

Section 13. Conditioned only upon the delivery of payment for the Series 2017C Bonds, the County hereby specifically and irrevocably elects to redeem the Refunded Bonds on the earliest practicable dates and at the respective redemption prices, plus interest accrued and unpaid to the respective dates of redemption, shown on Exhibit A-1 attached hereto. Notwithstanding the foregoing, the irrevocable election contained in this Section shall only be effective with respect to the issues and maturities of the Refunded Bonds identified in a subsequent order of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive and in accordance with the terms of this Order).

Section 14. Conditioned only upon the delivery of payment for the Series 2017D Bonds, the County hereby specifically and irrevocably elects to redeem the Refunded BABs on the Crossover Date at the respective redemption prices, plus interest accrued and unpaid to the Crossover Date, shown on Exhibit A-2 attached hereto. Prior to the Crossover Date, the County shall not exercise any other redemption option it might have with respect to the Refunded BABs. Notwithstanding the foregoing, the irrevocable election contained in this Section shall only be effective with respect to the issues and maturities of the Refunded



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BABs identified in a subsequent order of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive and in accordance with the terms of this Order).

Section 15. It is hereby determined that it is necessary and appropriate for the County to execute and deliver a Continuing Disclosure Agreement ("Continuing Disclosure Agreement") in accordance with the provisions of Rule 15c2-12 of the Securities and Exchange Act of 1934 ("Rule 15c2-12"), for the benefit of the registered owners from time to time of the Bonds, in order to enable the successful bidder for the Bonds (including any of such bidder's associates constituting "principal underwriters" within the meaning of Rule 15c2-12) to comply with the requirements of Rule 15c2-12. The Director of Finance shall execute and deliver the Continuing Disclosure Agreement substantially in the form attached as Appendix B to the Preliminary Official Statement, with such changes therein as bond counsel to the County may advise.

Section 16. There may be deducted from the gross proceeds received from the sale of the Bonds the cost of advertising, underwriting fees, printing and legal fees and fees of other professionals, and expenses relating to such sale as may be determined by the Director of Finance. There may also be deducted from the gross proceeds of the sale of the Bonds any other incidental expenses relating thereto and the reimbursement of the general tax receipts of the County for any monies previously expended therefrom for the projects more specifically described in this Order as bond counsel to the County may advise.

Section 17. The County hereby covenants that it will take, or refrain from taking, any and all actions necessary to comply with the provisions of Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Bonds in order to preserve the status of the interest on the Bonds as excluded from gross income for Federal income tax purposes. Without limiting the generality of the covenant set forth in the preceding sentence, (a) the County will not use or permit the use of any of the proceeds of the Bonds or any of the funds of the County in such manner as would cause the interest on the Bonds to be included in gross income for Federal income tax purposes, (b) the County will regulate the investment of the proceeds of the Bonds so as not to cause any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (c) the County will, if and to the extent necessary make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, (d) the County will prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, and (e) the Director of Finance is hereby authorized and directed to prepare or cause to be prepared and to execute and certificate or other document which may be required in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Code, and the Income Tax Regulations thereunder.

Section 18. In the event that the proceeds from the sale of the Series 2017A Bonds and/or the Series 2017B Bonds exceeds the amount needed to refinance all or a portion of the County's outstanding Notes or Variable Rate Notes (as the case may be), the excess funds shall be either (i) applied to the payment of



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debt service on the Series 2017A Bonds or the Series 2017B Bonds, respectively, (ii) used to finance the costs of certain Public Facilities described in the County's FY17-22 Capital Improvements Program or (iii) applied to the payment of costs of issuance of the Series 2017A Bonds or the Series 2017B Bonds, respectively.

Section 19. The County Executive or Chief Administrative Officer shall by subsequent order, award the Bonds to the winning bidder for the Bonds in accordance with the Notices of Sale and this Order, and take such other action as deemed necessary in connection with the issuance and sale of the Bonds.

Section 20. The Chief Administrative Officer and Director of Finance, and such other officers, employees, and agents of the County are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the County's compliance with the covenants set forth in this Order.

Section 21. This Order shall take effect immediately.



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Dated as of this 17 day of October, 2017.

A handwritten signature in black ink, appearing to read "Isiah Leggett", written over a horizontal line.

Isiah Leggett
County Executive
Montgomery County, Maryland

List of Exhibits

- Exhibit A-1 – Refunded Bonds
- Exhibit A-2 – Refunded BABs
- Exhibit B – Form of Bonds
- Exhibit C – Preliminary Official Statement
- Exhibit D – Escrow Deposit Agreement



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EXHIBIT A-1

Refunded Bonds

Montgomery County, Maryland
Consolidated Public Improvement Bonds of 2008, Series A
(To be redeemed on or about August 1, 2018)

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> | <u>Call Date</u> | <u>Call Price</u> | <u>CUSIP¹</u> |
|----------------------|----------------------|-------------------------|------------------|-------------------|--------------------------|
| 8/1/2018 | 5.000% | \$ 1,000,000 | | | |
| 8/1/2019 | 4.000 | 11,800,000 | 8/1/2018 | 100.00 | |

Montgomery County, Maryland
Consolidated Public Improvement Bonds of 2010, Series A
(To be redeemed on or about August 1, 2020)

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> | <u>Call Date</u> | <u>Call Price</u> | <u>CUSIP¹</u> |
|----------------------|----------------------|-------------------------|------------------|-------------------|--------------------------|
| 8/1/2021 | 4.000% | \$16,250,000 | 8/1/2020 | 100.00 | |
| 8/1/2022 | 3.000 | 16,250,000 | 8/1/2020 | 100.00 | |

Montgomery County, Maryland
Consolidated Public Improvement Bonds of 2011, Series A
(To be redeemed on or about July 1, 2019)

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> | <u>Call Date</u> | <u>Call Price</u> | <u>CUSIP¹</u> |
|----------------------|----------------------|-------------------------|------------------|-------------------|--------------------------|
| 7/1/2020 | 5.000% | \$16,000,000 | 7/1/2019 | 100.00 | |
| 7/1/2027 | 4.000 | 16,000,000 | 7/1/2019 | 100.00 | |
| 7/1/2028 | 4.000 | 16,000,000 | 7/1/2019 | 100.00 | |
| 7/1/2029 | 4.500 | 16,000,000 | 7/1/2019 | 100.00 | |
| 7/1/2030 | 4.000 | 16,000,000 | 7/1/2019 | 100.00 | |
| 7/1/2031 | 4.000 | 16,000,000 | 7/1/2019 | 100.00 | |

Montgomery County, Maryland



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| | | |
|---|--|-----------------------------------|
| Subject Authorizing the issuance of Consolidated Public Improvement Bonds of 2017, Series A, Consolidated Public Improvement Refunding Bonds of 2017, Series B, Consolidated Public Improvement Refunding Bonds of 2017, Series C, and Consolidated Public Improvement Refunding Bonds of 2017, Series D (2019 Crossover Refunding) | Executive Order No. 169-17 | Subject Suffix |
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Consolidated Public Improvement Bonds of 2012, Series A
(To be redeemed on or about November 1, 2020)

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> | <u>Call Date</u> | <u>Call Price</u> | <u>CUSIP¹</u> |
|----------------------|----------------------|-------------------------|------------------|-------------------|--------------------------|
| 11/1/2021 | 5.000% | \$14,750,000 | 11/1/2020 | 100.00 | |
| 11/1/2022 | 4.000 | 14,750,000 | 11/1/2020 | 100.00 | |
| 11/1/2023 | 2.500 | 14,750,000 | 11/1/2020 | 100.00 | |
| 11/1/2024 | 3.000 | 14,750,000 | 11/1/2020 | 100.00 | |
| 11/1/2025 | 3.000 | 14,750,000 | 11/1/2020 | 100.00 | |
| 11/1/2026 | 3.000 | 14,750,000 | 11/1/2020 | 100.00 | |
| 11/1/2027 | 3.000 | 14,750,000 | 11/1/2020 | 100.00 | |

Montgomery County, Maryland
Consolidated Public Improvement Bonds of 2013, Series A
(To be redeemed on or about November 1, 2023)

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> | <u>Call Date</u> | <u>Call Price</u> | <u>CUSIP¹</u> |
|----------------------|----------------------|-------------------------|------------------|-------------------|--------------------------|
| 11/1/2024 | 5.000% | \$14,750,000 | 11/1/2023 | 100.00 | |
| 11/1/2026 | 5.000 | 14,750,000 | 11/1/2023 | 100.00 | |

Montgomery County, Maryland
Consolidated Public Improvement Bonds of 2014, Series A
(To be redeemed on or about November 1, 2024)

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> | <u>Call Date</u> | <u>Call Price</u> | <u>CUSIP¹</u> |
|----------------------|----------------------|-------------------------|------------------|-------------------|--------------------------|
| 11/1/2025 | 5.000% | \$25,000,000 | 11/1/2024 | 100.00 | |
| 11/1/2026 | 5.000 | 25,000,000 | 11/1/2024 | 100.00 | |



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EXHIBIT A-2

Refunded BABs

Montgomery County, Maryland
Consolidated Public Improvement Bonds of 2009, Series B
(Federally Taxable – Build America Bonds – Direct Pay)
(To be redeemed on or about November 1, 2019)

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> | <u>Call Date</u> | <u>Call Price</u> | <u>CUSIP</u> |
|----------------------|----------------------|-------------------------|------------------|-------------------|--------------|
| 11/1/2020 | 3.118% | \$15,465,000 | 11/1/2019 | 100.00 | |
| 11/1/2021 | 3.118 | 15,465,000 | 11/1/2019 | 100.00 | |
| 11/1/2022 | 3.202 | 15,465,000 | 11/1/2019 | 100.00 | |
| 11/1/2023 | 3.371 | 15,465,000 | 11/1/2019 | 100.00 | |
| 11/1/2024 | 3.371 | 15,465,000 | 11/1/2019 | 100.00 | |
| 11/1/2025 | 3.455 | 15,470,000 | 11/1/2019 | 100.00 | |
| 11/1/2026 | 3.539 | 15,470,000 | 11/1/2019 | 100.00 | |
| 11/1/2027 | 3.624 | 15,470,000 | 11/1/2019 | 100.00 | |
| 11/1/2028 | 3.708 | 15,470,000 | 11/1/2019 | 100.00 | |
| 11/1/2029 | 3.708 | 15,470,000 | 11/1/2019 | 100.00 | |



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EXHIBIT B

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF MARYLAND

REGISTERED

REGISTERED

NUMBER R-1

\$

MONTGOMERY COUNTY, MARYLAND

GENERAL OBLIGATION BONDS

CONSOLIDATED PUBLIC IMPROVEMENT [REFUNDING] BONDS OF 2017, SERIES [A/B/C/D]

Dated Date

Maturity Date

Interest Rate

CUSIP

%

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

MONTGOMERY COUNTY, MARYLAND, a body politic and corporate organized and existing under the Constitution and laws of the State of Maryland (the "County"), hereby acknowledges itself indebted for value received and promises to pay to the registered owner identified above or registered assigns, as hereinafter provided, on the maturity date set forth above, the principal amount set forth above and interest on such principal amount from the dated date set forth above, payable on _____ 1, ____ and



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on _____ 1 and _____ 1 of each succeeding year, at the interest rate set forth above until maturity or earlier redemption. Principal of and interest on this Bond is payable in any lawful money of the United States of America, at the time of payment, upon presentation and surrender hereof at the Department of Finance, 101 Monroe Street, 15th Floor, Rockville, Maryland 20850, by the Director of Finance of the County (the "Director of Finance"), acting as the bond registrar and paying agent for the Bonds (the "Bond Registrar/Paying Agent"). Payment of each installment of interest hereon shall be made to the registered owner hereof whose name is registered on the registration books (the "Bond Register") maintained by the Bond Registrar, as of the close of business on the fifteenth day of the calendar month immediately preceding each interest payment date, by check mailed to such registered owner at the address last appearing on the Bond Register.

This Bond is one of a duly authorized issue of general obligation bonds of the County, designated "Montgomery County, Maryland General Obligation Bonds, Consolidated Public Improvement [Refunding] Bonds of 2017, Series [A/B/C/D]" in the aggregate principal amount of \$_____ (the "Bonds"), all bearing a dated date of _____, and which are of like tenor except as to numbers, maturities, interest rates and principal amounts.

[The Bonds are consolidated and issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Chapter 43 of the Laws of Montgomery County of 2006, Chapter 12 of the Laws of Montgomery County of 2007, Chapter 36 of the Laws of Montgomery County of 2008, Chapter 22 of the Laws of Montgomery County of 2009, Chapter 54 of the Laws of Montgomery County of 2010, Chapter 24 of the Laws of Montgomery County of 2011, Chapter 19 of the Laws of Montgomery County of 2012, Chapter 26 of the Laws of Montgomery County of 2013, Chapter 31 of the Laws of Montgomery County of 2014 and Chapter 49 of the Laws of Montgomery County of 2015; Resolution No. 16-1104 of the County Council of the County, adopted on September 15, 2009, as amended; Chapter 20 of the County Code; provisions of the County Charter; and Executive Orders of the County Executive of the County, as supplemented.]

OR

[The Bonds are consolidated and issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Resolution No. 15-1418 of the County Council of the County, adopted on April 25, 2006; Chapter 20 of the County Code; provisions of the County Charter; and Executive Orders of the County Executive of the County, as supplemented.]

OR



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[The Bonds are issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2016 Supplement); Resolution No. 16-1152 adopted by the County Council of the County (the "County Council") on October 20, 2009 and effective on October 21, 2009, as amended by Resolution No. 17-1265 adopted by the County Council on November 25, 2014; certain provisions of the County Charter and County Code; and Executive Orders of the County Executive of the County, as supplemented.]

The Bonds are issuable only in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount maturing in any year.

The Bonds mature, subject to prior redemption, on _____ 1 in each of the years ____ to _____, inclusive, and in the following principal amounts, and bear interest at the following rates per annum:

| | Principal | Interest | | Principal | Interest |
|-------------|---------------|-------------|-------------|---------------|-------------|
| <u>Year</u> | <u>Amount</u> | <u>Rate</u> | <u>Year</u> | <u>Amount</u> | <u>Rate</u> |

The Bonds which mature on or before _____ 1, 20____, are not subject to redemption prior to their respective maturities. The Bonds which mature on or after _____ 1, 20____, are subject to redemption beginning _____ 1, 20____, as a whole or in part at any time thereafter, in any order of their maturities, at the option of the County, at a redemption price for each Bond equal to the principal amount of the Bond to be redeemed, together with interest accrued to the date fixed for redemption, without premium. OR

[The Bonds are not subject to redemption prior to their stated maturities.]

If the County elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption notice at least twenty (20) days prior to the date of redemption by letter mailed first class, postage prepaid, to the registered owners of the Bonds to be redeemed at their last addresses appearing on the registration books maintained by the Bond Registrar/Paying Agent; provided, however, that so long as DTC or its nominee is



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the sole registered owner of the Bonds, any redemption notice will be given only to DTC. The failure to mail such notice with respect to a particular bond or any defect in such notice, or in the mailing thereof, shall not affect the sufficiency of proceedings for the redemption of any other bond. The redemption of the Bonds is conditioned upon the deposit of sufficient money for the payment of the redemption price and accrued interest on the Bonds to be redeemed on the date designated for such redemption.

If less than all of the Bonds of any one maturity are called for redemption, the particular bonds, or portions of such bonds, to be redeemed from such maturity shall be selected by the Bond Registrar/Paying Agent, or his successor as bond registrar and paying agent, by lot or other random means in such manner as the Bond Registrar/Paying Agent in its sole discretion may determine, except that so long as the Bonds are held in Book-Entry Form and the Depository Trust Company, New York, New York ("DTC") or its nominee is the sole registered owner of the Bonds, the particular bonds or the portion to be redeemed shall be selected by DTC, in such manner as DTC shall determine. Each \$5,000 portion of a bond shall be treated as a separate bond in the selection of Bonds to be redeemed.

In the event that part, but not all of any Bond is called for redemption, DTC, in its discretion, may (i) request the Bond Registrar/Paying Agent to authenticate and deliver a new Bond or surrender such Bond to the Bond Registrar/Paying Agent, or (ii) shall make appropriate notation on the Bond indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto. The principal amount of this Bond outstanding at any time shall be equal to the lesser of the principal sum shown on the face hereof and such principal sum reduced by the principal amount of any partial redemption of this Bond. Failure of the holder of this Bond to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PORTION OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

This Bond is transferable only upon the Bond Register by the registered owner hereof in person or by the registered owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in the form of the Assignment shown hereon or such other form as shall be satisfactory to the Bond Registrar/Paying Agent, duly executed by the registered owner or the registered owner's duly authorized attorney. Within a reasonable time after such surrender, the County shall issue in the name of the transferee or transferees a new bond or bonds of any authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, and maturing on the same date and bearing interest at the same rate as this Bond. The new bond or bonds shall be delivered to the transferee or transferees only after payment of any required tax or other governmental charge relating to such transfer and only after due authentication thereof by an authorized officer of the Bond Register.

No Bonds will be transferred unless DTC determines to discontinue providing its services as securities depository or directs that the Bonds be reregistered in a different name, or unless DTC is removed



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by the County as provided herein. Transfers of beneficial ownership of the Bonds will be effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC.

The County may, in its discretion, at any time, replace any Depository as the depository for the Bonds with another qualified Depository or discontinue the maintenance of the Bonds under a book-entry system upon at least 30 days prior notice to the Depository (or such fewer number of days as shall be acceptable to such Depository). A copy of such notice shall be delivered promptly to the Paying Agent/Registrar.

If the County discontinues the maintenance of the Bonds under the Book-Entry System, the County will issue or cause to be issued replacement certificated bonds directly to direct or indirect participants of DTC or its nominee ("Participants") as shown on the records of DTC or, to the extent requested in writing by any Participant in a form satisfactory to the County, to the beneficial owners of the Bonds. The County shall make provisions to notify Participants and the beneficial owners of the Bonds, by mailing an appropriate notice to DTC, or by other means deemed appropriate by the County in its discretion, that it will issue replacement bonds directly to the Participants as shown on the records of DTC or, to the extent requested in writing by any Participant, to the beneficial owners of the Bonds shown on the records of such Participant, as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the DTC).

In the event that replacement bonds are to be issued to Participants or to beneficial owners of the Bonds, the County shall promptly have prepared replacement bonds in certificated form registered in the names of such Participants as shown on the records of DTC or, if requested in writing by such Participants, in the names of the beneficial owners of the Bonds, as shown on the records of such Participants as of the date set forth in the notice delivered in accordance with the immediately preceding paragraph. Replacement bonds issued to Participants or to beneficial owners shall be in authorized denominations and be in fully registered form in substantially the form set forth in an order of the County Executive.

Replacement bonds issued to DTC shall have the same terms, form and content as the Bonds initially registered in the name of DTC or its nominee to be replaced except for the name of the record owner.

DTC or its nominee and its Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that neither the County nor the Bond Registrar /Paying Agent shall have any liability for the failure of any Depository to perform its obligations to the Participants and the beneficial owners of the Bonds, nor shall the County or the Bond Registrar /Paying Agent be liable for the failure of any Participant or other nominee of the beneficial owners to perform any obligation the Participant may incur to a beneficial owner of the Bonds

The County and the Bond Registrar /Paying Agent may treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the



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principal hereof and premium, if any, and interest hereon and for all other purposes and neither the County nor the Bond Registrar /Paying Agent shall be affected by notice to the contrary.

The full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the payment of the principal of and interest on this Bond according to its terms.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland and by the Charter or the laws of the County to exist, to have happened or to have been performed precedent to or in the issuance of this Bond, exist, have happened and have been performed, and that the issue of bonds of which this is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by such Constitution, statutes, Charter or laws.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon has been manually signed by an authorized signer of the Bond Registrar/Paying Agent.



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IN WITNESS WHEREOF, MONTGOMERY COUNTY, MARYLAND has caused this Bond to be executed in its name by the manual or facsimile signature of its County Executive and a facsimile of its Seal to be imprinted or otherwise reproduced hereon, attested by the manual or facsimile signature of its Director of Finance, all as of the ____ day of _____, 2017.

MONTGOMERY COUNTY, MARYLAND

By: _____
Isiah Leggett
County Executive

(COUNTY SEAL)

ATTEST:

By: _____
Alexandre A. Espinosa
Director of Finance



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CERTIFICATE OF AUTHENTICATION

The undersigned hereby certifies that this is one of the registered bonds of the Montgomery County, Maryland Consolidated Public Improvement [Refunding] Bonds of 2017, Series [A/B/C/D].

DIRECTOR OF FINANCE,

MONTGOMERY COUNTY, MARYLAND

Bond Registrar/Paying Agent

By: _____

Authorized Signer

Date of Authentication: _____



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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Type Name and Address of Assignee) the within bond and all rights thereunder and hereby irrevocably does constitute and appoint _____ attorney to transfer the bond on books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Please Insert Social Security or Other Identifying Number or Assignee)

(Name of Registered Owner)
Notice: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.



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EXHIBIT C

PRELIMINARY OFFICIAL STATEMENT

[SEE ATTACHED]



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EXHIBIT D

ESCROW DEPOSIT AGREEMENT

[SEE ATTACHED]